

Pragmatic deal: factsheet

Deal Information	
Deal signed	December 2023
Sector	Supply chain
Location	Meadowfield, County Durham
Counterparty	Pragmatic
Total investment	£162m
UKIB Finance	£60m
Product	Equity



Summary

UK Infrastructure Bank will invest £60m into Pragmatic to support the scale up and manufacture of semiconductors in Meadowfield, County Durham. UKIB played a crucial role as co-lead investor in mobilising private capital and allowing the project to go ahead. The project is expected to compliment the Government's National Semiconductor Strategy, supporting both our climate change and regional and local economic growth objectives by fostering technological innovation and developing low emission semiconductor manufacturing in the UK whilst also creating and supporting high skilled jobs.

Sector context

Semiconductors are used in electronic devices linked to recycling, telecommunications and electronic components of renewable infrastructure. Currently, semiconductors are predominantly produced in Taiwan, however the US and EU are increasingly trying to develop their own semiconductor industry. The Government's National Semiconductor Strategy has outlined the UK's approach to strengthening advantages in R&D, design and compound semiconductors, of which Pragmatic are industry leaders in.

Impact and additionality

UKIB's investment will contribute towards the further development of North East Advanced Material Electronics (NAEME), a local semiconductor cluster. The investment into Pragmatic can have impact towards our climate change objective by displacing silicon-based semiconductors that are produced at a far greater emission intensity whilst also supporting new applications in the circular economy such as new modes of recycling and re-use. Pragmatic will also support and create well paid and high skilled jobs in County Durham.

UKIB's involvement in the project as co-lead investor helped to mobilise private capital and enable the project to go ahead. UKIB's involvement also signalled support for UK based semiconductor manufacture.

ESRG considerations

Pragmatic have demonstrated a strong approach to ESG; recycling all metal waste, re-using approximately 80% of their wastewater and a spillage prevention plan. Additionally, the company is looking at methods of reducing emissions, such as rooftop solar installations, with air source heat pumps already in use.

Impact metrics

1	# Deals in the semiconductor sector
£60m	Total Investment in semiconductor industry
470 ⁱ	Jobs (created and safeguarded)
2.28million ⁱⁱ (tco2e)	Relative carbon emissions saved
£102m	Private finance mobilised

ⁱ 60 jobs attributable to UKIB finance

ⁱⁱ Rounded. Emissions abated based on a counterfactual of a silicon equivalent. 291,000 tonnes CO₂e attributable to UKIB finance.